

Exhibit A

(Exhibit 10 to Defendants' Opposition)
(RX4021 / PX7053)

Excerpt of Deposition Transcript Pages Cited in
Defendants' Opposition
All Other Content Not Otherwise Made Public
at the Hearing Should Remain Under Seal

April 06, 2023

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UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
Docket No. 9412

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In the Matter of: :
: :
MICROSOFT CORPORATION, :
: :
a corporation, : Highly Confidential
: :
- and - :
: :
ACTIVISION BLIZZARD, INC., :
: :
a corporation. :
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Videotaped Deposition of:

JAMES RYAN, in his individual
capacity and as Corporate Representative for
Sony Interactive Entertainment.

Taken on Thursday, April 6, 2023, at 8:30 a.m.
at the offices of Cleary Gottlieb, 2112 Pennsylvania
Avenue, NW, 10th Floor, Washington, D.C., before
Teague Gibson, a Notary Public.

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James Ryan Hightory, Defendant
April 06, 2023

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1 Extra had [REDACTED] subscribers and PlayStation Plus
2 Premium had [REDACTED] subscribers. Do you see
3 that sentence?

4 A I do.

5 Q Do you know, roughly, how many subscribers
6 PS Plus Extra has today?

7 A I do know roughly the combination of the
8 two.

9 Q By combination of the two, you mean PS
10 Plus Extra and PS Plus Premium combined?

11 A I do.

12 Q What is the combination of the two,
13 roughly?

14 A I believe somewhere between [REDACTED]

15 [REDACTED].

16 Q Do you know how that number compares to
17 the number of Game Pass subscribers?

18 A I believe the last publicly announced
19 subscriber figure for Game Pass of 25 million
20 subscribers, that figure was published, if that's
21 the right word, in January 2022. To my knowledge,
22 there has been no updates since then, but Microsoft
23 executives have made statements to the effect that
24 the number of subscribers to Game Pass was
25 increasing during the course of 2022.

1 on optimizing some of the features of PlayStation
2 hardware, haptic feedback, some of the unique
3 features of our solid state storage, for example.

4 Q Can you explain what the benefits of
5 optimization are?

6 A The benefits, I think, are two fold.
7 First of all, they make for a more enjoyable gamer
8 experience, haptic feedback on our PlayStation 5
9 dual-sense controller is widely considered to be a
10 considerable and very enjoyable consumer benefit.
11 And, secondly, they showcase our hardware. So the
12 game is better and the hardware is showcased.

13 Q Can you explain why making a game,
14 first-party game, exclusive enables Sony to do this
15 optimization?

16 A Because our developers are able to focus
17 uniquely on developing for the PlayStation skew.
18 They do not have to worry about the Xbox skew or the
19 APC version of the game.

20 Q Does Sony sometimes reach agreements with
21 third-party game studios to make games exclusive on
22 PlayStation?

23 A Yes.

24 Q And why does Sony do that?

25 A Because we in the third-party believe it

1 would be of mutual benefit to ourselves.

2 Q Can you explain why it would be a benefit
3 to Sony?

4 A The -- I think a third-party game
5 exclusively available in our platform, by the way,
6 there are only -- the exclusivity is only, to my
7 knowledge, for a period of time, it's not for the
8 life of the game, but that exclusivity we have
9 reinforces the point about a point of difference.

10 Q Is it beneficial to PlayStation to have
11 points of difference?

12 A Yes.

13 Q Why is that?

14 A Because, particularly in the early stages
15 of a console generation, consumers are faced with a
16 decision about which console to buy. And consumers
17 typically don't know or care whether a game is
18 first-party or third-party, they just see the game
19 and are either interest in it or not.

20 Q Why would it be beneficial for a
21 third-party studio to have one of its games be
22 exclusive for a period on PlayStation?

23 A The development effort required to make
24 that game reduces, [REDACTED]

25 [REDACTED]

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Q Do you know, roughly, what percentage of total game play on PlayStation is of exclusive games?

A I think in our fiscal year 2021 it was about [REDACTED] of our PlayStation first-party games. So there were other small-timed exclusives that would not be included in that number. I don't know what those numbers would be but they would not be significant.

Q When you say they would not be significant, can you just give me a ballpark?

[REDACTED]

Q And does Xbox offer exclusive games?

A Yes, they do.

Q Does Nintendo?

A Yes, they do.

Q If you could turn to the page ending in

1 A We did.

2 Q And do you know if Red Fall will be
3 available on PlayStation?

4 A We believe it will not.

5 Q What's the basis of that belief?

6 A We have no knowledge of a PlayStation skew
7 under development.

8 Q In the time since Microsoft has acquired
9 ZeniMax, two ZeniMax games have launched as timed
10 exclusives on PlayStation, correct?

11 A Those games may or may not have launched
12 before the transaction closed. I don't know. They
13 certainly launched post the announcement of the
14 acquisition.

15 Q Were those games Ghost Fire and Death
16 Loop?

17 A They were.

18 Q At the time of the Microsoft acquisition
19 of ZeniMax, did SIE already have contracts in place
20 with ZeniMax for Ghost Fire and Death Loop?

21 A We did.

22 MS. LEVERT: Off the record for just a
23 second.

24 VIDEOGRAPHER: Going off the record at
25 9:20 a.m.

1 what you believe is true and what SIE believes is
2 true is important?

3 MR. GELFAND: Object to the form.

4 A Largely, yes.

5 Q Why do you qualify it with "largely"?

6 A What I believe to be true may not coincide
7 with what the rest of the company believes is true.

8 Q We can ask you about that in the corporate
9 deposition. [REDACTED]

10 [REDACTED]

11 [REDACTED]

12 [REDACTED]

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 MR. GELFAND: Object to the form.

24 [REDACTED]

25 Q You've also said [REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Q Do you agree that the PC platform and mobile platforms are not competitor platforms to PlayStation platform or SIE platforms?

MR. GELFAND: Object to the form.

A I would say the PC platform is a very direct competitor to the PlayStation platform.

Q If Nintendo is not a direct competitor with Xbox and PlayStation, what is Sony PlayStation's share of the global market of

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8 Q Why is it not necessary?

9 A Because publishers have every incentive to
10 provide an equal gaming experience or as good a
11 gaming experience as possible on all platforms.

12 Q Let's turn to your declaration, which is
13 PX 8001. Go to paragraph 9. I meant page 4. The
14 question I have regards the last sentence. You said
15 on December 5th when you signed this affidavit that
16 you had a total of [REDACTED] subscribers as of
17 July 2022; is that right?

18 A That's correct.

19 Q I believe you told complaint counsel today
20 that that number is now closer to [REDACTED] to [REDACTED]?

21 A Correct.

22 Q Closer to [REDACTED] or closer to [REDACTED]?

23 A Closer to [REDACTED].

24 Q What has caused that rise or increase in
25 number of subscribers?

1 trying to gain critical mass and support from the
2 AAA publishers for Game Pass. That's what you were
3 asked, right?

4 A That's what I was asked.

5 Q You say, I can say with very high degree
6 the certainty that Microsoft has tried that path and
7 it did not work at all. Do you agree with that
8 today?

9 A Yes.

10 Q You say, that has driven them to make the
11 large acquisition. I talked to all publishers and
12 they unanimously do not like Game Pass because it's
13 value destructive. Was that true at the time?

14 A I believe it to have been true.

15 Q You said you talked to all the publishers,
16 did you?

17 A I talk to publishers all the time and this
18 is a very commonly held view over many years on
19 publishers.

20 Q You have no reason to believe that
21 Mr. Kotick and Activision would put Call of Duty on
22 a subscription service like Game Pass for any length
23 of time or day and date if this transaction is not
24 completed, right?

25 A Correct.